MOTION FILED
FEB 14 1977.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1976

No. 76-447

WILLIAM G. MILLIKEN, et al., Appellants,

V.

RONALD BRADLEY, et al., Appellees.

On Certiorari to the United States Court of Appeals for the Sixth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE AND BRIEF AMICUS CURIAE ON BEHALF OF THE MICHIGAN EDUCATION ASSOCIATION

LOUIS D. BEER
RUSS E. BOLTZ
BEER, BOLTZ & BENNIA
Attorneys for Michigan Education
Association

Business Address:

10 West Square Lake Road Suite 303 Bloomfield Hills, Michigan 40813 Telephone: (313) 858-2303

IN THE

Supreme Court of the United States

OCTOBER TERM, 1976

No. 76-447

WILLIAM G. MILLIKEN, et al., Appellants,

V.

RONALD BRADLEY, et al., Appellees.

On Certiorari to the United States Court of Appeals for the Sixth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE ON BEHALF OF THE MICHIGAN EDUCATION ASSOCIATION

The Michigan Education Association, a Michigan non-profit corporation, hereby respectfully moves for leave to file the attached brief amicus curiae in this case, pursuant to Rule 42 of this Court. The consent of the attorneys for Petitioners William G. Milliken, et al., Respondent Board of Education of the School District of the City of Detroit, and Respondent Detroit Federation of Teachers has been obtained. The consent of the attorneys for Respondents Ronald Bradley, et al. was requested but not granted.

The Michigan Education Association is a Michigan non-profit corporation composed of approximately 95,-

000 Michigan public elementary, secondary, and higher education teachers, and as such, is the largest professional and collective bargaining association in Michigan public education. In this capacity, the Michigan Education Association has a vital interest, on behalf of its members, in the nature of decisions affecting the Michigan system of educational finance, and in assuring the quality of educational delivery systems throughout the State. In doing so, the Association maintains a substantial involvement in decision-making at every level of Michigan public education, including the Michigan Legislature, state education agencies, and local educational bodies.

In the instant case, the interest of the Michigan Education Association is in assuring that this Court be fully presented with an understanding of the structure utilized to generate revenues for Michigan schools.

The Michigan Education Association understands and accepts the notion that the primary issues before the Court do not turn on the questions of Michigan law discussed herein, but rather on the questions of the power of U.S. District Courts to act to remedy conditions of school segregation and the appropriateness of the remedies ordered here and approved by the Court of Appeals. Nor does the Michigan Education Association argue that in achieving this structure, this Court is obligated to leave the Michigan financing system intact. As to all of these points, the Michigan Education Association assumes for the purpose of this brief that the finding of the Court of Appeals is correct.

What does concern the Michigan Education Association is that in advancing their position on the major points of this contention, Petitioners Milliken, et al. have engaged in gross oversimplifications in their description of the responsibility of the central state government for funding public education in Michigan. Just as this Court found it necessary to characterize Michigan's procedures for administration of the day to day operation of schools in the first opinion issued in the case, Bradley v. Milliken, 418 U.S. 717 (1974), it appears inevitable that some characterizations of the system for funding education in the opinion will emanate from the present appeal, even though those funding mechanisms may not be critical to the outcome. To the extent that such characterizations are based on only partial information or misinformation which might affect judicial construction of that system at some later time, the members of the Michigan Education Association are at risk, and it is to alleviate that risk that this brief and motion are submitted. It is thus the belief of the Michigan Education Association that a full understanding of school finance in Michigan would be of assistance to this Court.

Therefore, in order to assist this Court in its resolution of the instant appeal, the Michigan Education Association requests the permission of this Court to file the attached Brief Amicus Curiae.

Respectfully submitted,

Louis D. Beer
Russ E. Boltz
Beer, Boltz & Bennia
Attorneys for Michigan Education
Association

Business Address:
Suite 303
10 West Square Lake Road
Bloomfield Hills, Michigan 40813
Telephone: (313) 858-2303

Date: February 11, 1977

TABLE OF CONTENTS

I	Page
Interest of the Amicus	1
Summary of Argument	1
Argument	3
I. Analysis of the three major state-based sources of revenue for Michigan schools reveals that none are truly "local" in nature, and are rather part of a comprehensive State system of revenue raising, and each involves revenue sources that are at least partially external to all but a few wealthy school districts	
II. When Michigan has been confronted with the failure of its financing schemes for schools, either past or present, it has not reacted through any delegation of responsibility to local agencies, but through a series of tightly and centrally controlled ad hoc resolutions of the particular problem at hand; when the comprehensive scheme of school financing does not work, the state has not delegated its constitutional responsibility to support the schools, but has exercised it directly	
Conclusion	16
TABLE OF AUTHORITIES CASES:	
Federal:	
Bradley v. Milliken, 484 F.2d 215 (C.A. 6, 1973), reversed on other grounds, 419 U.S. 717 (1973) Milliken v. Bradley, 418 U.S. 717 (1973)	4, 5

			Pa	g
State:				
Airport Community Schools v. State Board of E	d	uc	a-	
tion, 17 Mich. App. 574, 170 N.W. 2d 193 (196				13
Attorney General ex rel. Zacharias v. Detroit Boo				
Education, 154 Mich. 584, 118 N.W. 606 (190				4
Constitutions:				
Mich. Const. 1835 Art. IX, § 3				4
Mich. Const. 1850 Art. XIII, § 4				4
Mich. Const. 1908 Art. XI, § 9				
Mich. Const. 1963 Art. VIII, § 2				4
Mich, Const. 1963 Art. IX, § 6				-
Mich. Const. 1963 Art. IX, § 11				1
Mich. Collet. 1000 1116. 124, § 11			• •	,
STATUTES:				
Public Acts:				
Mich. Pub. Act No. 258 (1973)				1
Mich. Pub. Act No. 239 (1967)				13
Mich. Pub. Act No. 130 (1968)				13
Mich. Pub. Act No. 32 (1968)				13
Mich. Pub. Act No. 1 and 2 (1973)				
•			,	
Mich. Comp. Laws:				
§ 211.203(3)				(
§ 211.205				
§ 340.10				1
§ 340.26				4
§ 340.27				4
§ 340.55				4
§ 340.77				4
§ 340.107				4

iv		7	1	al	bl	e		0	f	1	1	u	tl	10	01	ri	ti	ie	8	C	0	I	t	II	lu	ıe	d						
																																	age
§ 388.1131			a	•	•		G	9		9 1	* 0			9		6														4			11
§ 388.1143											• 1																*		×			*	11
§ 388.1193																																	
§ 388.1147																																	
§ 388.1148																																	
§ 388.1151																																	
§ 388.1161							4			9		+																					11
0 200 1101																																	19

IN THE

Supreme Court of the United States

OCTOBER TERM, 1976

No. 76-447

WILLIAM G. MILLIKEN, ET AL., Appellants,

v.

RONALD BRADLEY, ET AL., Appellees.

On Certiorari to the United States Court of Appeals for the Sixth Circuit

BRIEF AMICUS CURIAE ON BEHALF OF THE MICHIGAN EDUCATION ASSOCIATION

INTEREST OF THE AMICUS

The interest of the Michigan Education Association is set forth in the Motion for Leave to File Brief Amicus Curiae, supra.

SUMMARY OF ARGUMENT

It is undisputed that public education in Michigan is a State responsibility. This Court found in the first opinion in this case that the State of Michigan had made a comprehensive delegation of the operations of its schools to local school districts. While local school districts certainly play a role in the raising of the revenue to finance the school operations which are within their purview, the delegation of state power

with regard to revenue raising is far less extensive than it is with regard to operations and revenue expenditure.

Under normal circumstances revenues come to a local school district through three sources: allocated millage, voted millage, and categorical aid. Allocated millage is effectively beyond the control of the district as to its rate. While voted millage has some of the appearances of being what might be described as "local money", in fact it is not. Through a financing scheme known as the "Bursley Bill", the voting of tax rates by school electors also determines the amount of payment of State Aid received by the school district in question. Furthermore, there is no basis by which a local school district may have access to general State Aid except through the voting of local tax rates. Thus the local tax rate and general State Aid are totally commingled in a single financing scheme, with the State effectively promising the provision, and threatening the withholding, of State funds in order to determine the local property tax rate.

Similarly, Categorical Aid is entirely within the control of the State. The local school district has no control whatsoever over which program priorities the State might choose to set with regard to educational programs funded through Categorical Aid.

The retention of control over school financing by the State becomes even more apparent when one considers how Michigan has reacted in cases of financial emergency. In those circumstances the State has acted in a highly centralized fashion, choosing to deal with each emergency on an ad hoc basis, and conditioning the emergency assistance in virtually every case on a stripping of local control over operations and expenditures from the district. Thus, while the ultimate resolution

of this case in all probability turns on issues other than the nature of the financing scheme of the State of Michigan, any support for any outcome that relies on an assertion that such a system is local and varied in nature, or that the State has made a complete and comprehensive delegation of the educational revenue raising function similar to its delegation of the operational function would be misplaced. The State of Michigan and its appropriate central state agents have retained not only the ultimate responsibility for financing education but a great deal of the direct responsibility as well.

ARGUMENT

I. ANALYSIS OF THE THREE MAJOR STATE-BASED SOURCES OF REVENUE FOR MICHIGAN SCHOOLS REVEALS THAT NONE ARE TRULY "LOCAL" IN NATURE, AND ARE RATHER PART OF A COMPREHENSIVE STATE SYSTEM OF REVENUE RAISING, AND EACH INVOLVES REVENUE SOURCES THAT ARE AT LEAST PARTIALLY EXTERNAL TO ALL BUT A FEW WEALTHY SCHOOL DISTRICTS.

This Court acknowledged in its original decision in this case, *Milliken* v. *Bradley*, 418 U.S. 717 (1974), two fundamental characteristics of the Michigan system of public education. The first, drawn from the Michigan Constitution of 1963 and reflected as well in each of the three State Constitutions which preceded it, is that

"'[e]ducation in Michigan belongs to the State
... [and] is no part of the local self-government

¹ The Michigan Constitution of 1835 Art. X, § 3 contained the requirement that "[t]he Legislature shall provide for a system of common schools . . ." Article XIII, § 4, of the Constitution of 1850 provided that "[t]he legislature shall . . . provide for and establish a system of primary schools . . ." Likewise, Article XI, § 9, of the 1908 Constitution required that "[t]he legislature shall continue a system of primary schools . . ."

inherent in the township or municipality, except so far as the legislature may choose to make it such." Milliken v. Bradley, supra, at 726 (footnote 5), quoting Attorney General ex rel. Zacharias v. Detroit Board of Education, 154 Mich. 584, 590, 118 N.W. 606, 609 (1908).

By mandate of the people of the State through their duly adopted constitution, the Michigan State Legislature (and not local units of government) is obligated to "maintain and support a system of free public elementary and secondary schools as defined by law." Mich. Const. 1963, Art. VIII, § 2.

The second fact noted by this Court is that the authority and responsibility for the day-to-day operation of public elementary and secondary schools has been extensively delegated by the State Legislature to statutorily created local school districts. See, Milliken v. Bradley, supra, at 742 (footnote 20). This Court painstakingly enumerated the countless statutory provisions by which the State had willingly surrendered its constitutionally-decreed control over the daily operation of the public schools:

"Under the Michigan School Code of 1955, the local school district is an autonomous political body corporate, operating through a Board of Education popularly elected. Mich. Comp. Laws §§ 340.27, 340.55, 340.107, 340.148, 340.149, 340.188. As such, the day-to-day affairs of the school district are determined at the local level in accordance with the plenary power to acquire real and personal property, §§ 340.26, 340.77, 340.113, 340.165, 340.192, 340.352; to hire and contract with personnel, §§ 340.569, 340.574; to levy taxes for operations, § 340.563; to borrow against receipts, § 340.567; to determine the length of school terms, § 340.575; to control the admission of non-

resident students, § 340.582; to determine courses of study, § 340.583; to provide a kindergarten program, § 340.584; to establish and operate vocational schools, § 340.585; to offer adult education programs, § 340.586; to establish attendance areas, § 340.589; to arrange for transportation of nonresident students, § 340.591; to acquire transportation equipment, § 340.594; to receive gifts and bequests for educational purposes, § 340.605; to employ an attorney, § 340.609; to suspend or expel students, § 340.613; to make rules and regulations for the operation of schools, § 340.614; to cause to be levied authorized millage, § 340.643a; to acquire property by eminent domain, § 340.711 et seq.; and to approve and select textbooks. § 340.882." Milliken v. Bradley, supra, at 742 (footnote 20).

That delegation of responsibility was thought consistent with the "deeply rooted" tradition of "local control over the operation of schools" and the notion that "local autonomy [is] essential both to the maintenance of community concern and support for public schools and to quality of the educational process." Milliken v. Bradley, supra at 741-742 (citation omitted). Emphasis supplied.

The suggestion set forth in the brief of Petitioners that Michigan has a "combined" system of school finance, with some monies coming from "local sources" and some from "state sources", Brief of Petitioners at 37, would, without more, perhaps be read to suggest that the same measure of delegation which has occurred with regard to day-to-day operation has also occurred with regard to financial matters. This is not the case. The state government of Michigan has not only retained ultimate responsibility for the funding of schools, but has also retained direct responsibility for

funding many aspects of the State's school programs and is a direct, active partner in those portions of the funding system over which a measure of local discretion does exist. The various mechanisms for the funding of education for Michigan's school children are discussed below in ascending order of the amount of involvement of the central State government in the particular finance mechanism utilized.

1. Direct Taxation Authorized by Statute or Charter.

With one notable exception, no Michigan school disstrict is authorized by statute or constitution to levy any school tax solely by its own action. The power of Michigan school boards to levy ad valorem taxes by their own action is dependent in all cases upon the special authorization of such taxing power by a vote of the electors in the school district. Mich. Comp. Laws § 211.203(3) (Mich. Stat. Ann. § 763(3)).

Should the electors of a Michigan school board fail to authorize any school millage,² the district would not be entirely bereft of revenue. The Michigan Constitution provides for a basic property tax of fifteen mills, to be levied on a county basis. Mich. Const. 1963 Art. IX, § 6. Each county has a Tax Allocation Board. It is the function of that Board to allocate the fifteen mill tax between the county government, local townships, villages, cities, school districts, community college districts, intermediate school districts and all other divisions, districts and organizations of government.

Thus, a local school board is reasonably assured of a small amount of millage, in some amount less than fifteen mills, as determined by the Tax Allocation Board, but even that amount is not within its control but that of the County Tax Allocation Board.³ Generally only two of the eight members of the county allocation boards are representatives of local school districts, and the manner of selection of those members is intended to diversify rather than concentrate the representative strength of local school districts in the allocation of tax revenues among local units by the county board. See, Mich. Comp. Laws § 211.205 (Mich. Stat. Ann. § 7.65).

The lone exception to the statement that a local school district has no inherent taxing power of its own is the two percent income tax excise authorized pursuant to statute for the School District of the City of Detroit. Mich. Comp. Laws § 340.689 (Mich. Stat. Ann. § 15.3689). That income tax, which came into being directly as a result of the present litigation, will be discussed below in the section of this brief relating to the state government's responses to financial emergencies of local school districts.

² School property tax levies in Michigan are commonly known as "millages." The term refers to the number of mills of taxation per dollar of assessed valuation. Thus a tax of one mill is equivalent to a tax of ten cents per one hundred dollars of valuation, or one dollar per thousand dollars of valuation.

^a The actual revenue derived from county allocated millage is, like other millage, subject to the "Bursley Bill" formula. Mich. Comp. Laws §§ 388.1101, et seq. (Mich. Stat. Ann. §§ 15.1919 (501) et seq.). Thus while the rate of taxation is determined by the county government, the actual amount of revenue received from that rate is a function of a central state scheme of financing. Neither is in any way within the power of the local school district.

As the discussion of the Bursley Bill formula infra will show, the statutory scheme for school financing contemplates that a substantial amount of financing of schools above the basic fifteen mill tax limitation is required.

2. So-Called "Locally Voted Millage".

Michigan law does provide for the additional funding of schools through higher millages, which may be authorized by the electorate of a school district, up to a limitation on total taxation of fifty mills. However, these funds are not simply a system of locally determined taxation of local property. As Petitioner's Brief mentions ever so briefly, this locally voted millage is part of a scheme of "district power equalizing", enacted in Michigan in 1973 under the name of the Gilbert E. Bursley School Finance Act, commonly known as the "Bursley Bill". Mich. Pub. Act No. 258 (1973), Mich. Comp. Laws §§ 338.1101 et seq. (Mich. Stat. Ann. §§ 15.1919 (501) et seq.). In Michigan "district power equalizing" is nothing more than shorthand for pervasive state involvement in every component of school finance.

Under the pre-1973 Michigan system there were in fact two separate components to the financing of schools other than the county allocated millage. Article IX, Section 11 of the Constitution of Michigan, Mich. Const. 1963 Art. IX, § 11, established a School Aid Fund which was tied to the revenue from specific tax sources and which was by constitutional mandate to be used exclusively for school aid. The Fund was distributed primarily on the basis of a formula which weighted State Aid to some extent based on "state equalized valuation", or "SEV" (the taxable property available per child in each school district), but which in no way was dependant on whether or not the local school district electors did or did not authorize the levying of additional taxes. Furthermore, the revenue return from whatever local millage was voted in a given district was solely dependent on the value of the property within that district against which that millage rate was charged. Thus, under the "pre-Bursley" system, there were in fact two separate components of school finance present, one State, distributed pursuant to an SEV formula, and one local, depending purely on local sources. The system was not unlike that which this Court approved in San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973).

However, in 1973, the State of Michigan quite voluntarily chose to change this system of finance. The net effect of these changes was to make any distinction between "state money" and "local money" meaningless.

Under the new Bursley Bill, a locally voted millage does not draw revenue only from the local property tax-payers. Rather the State guarantees that each mill voted will garner a specified number of dollars per school child, regardless of the valuation of the property in the school district voting the millage, and regardless of the number of children in the district. Thus in 1975-76 the State guaranteed that for the first twenty mills of tax imposed (by the Tax Allocation Board and the electorate combined), each mill would generate \$42.40 per pupil, and that each of the next seven mills will generate \$38.25 per mill per pupil regardless of the valuation of the district.

Conversely, if a district does not vote millage, or receives no allocated millage, it receives no general State Aid. The State Government thus wields both the carrot and the stick in its relationship with local school electors; the local electorate possesses the power to vote substantial matching funds if they vote for a higher local property tax; at the same time, if they fail to do so, they cut themselves off from all general State Aid for education.

Amicus would argue that under such a scheme of school financing, any attempted distinction between State sources of revenue and local sources of revenue which attempted to suggest that they were in some fashion distinct would be meaningless. In all but the few very wealthy school districts in Michigan (whose valuations are so high that they exceed the guaranteed return without State Aid), when electors vote a school millage authorization, they are voting in greater or lesser part to receive an appropriation from the State School Aid Fund and the State General Fund, collected from Michigan State sales tax revenues on a state-wide basis and the Michigan Income Tax, as well as a higher property tax rate for themselves. The State of Michigan, for its part, uses every dollar that it spends on general school aid as leverage to induce higher voted millage rates in local districts.

Under such a circumstance there really are no autonomous local funding decisions made by the electorate; any such decision is pervasively influenced by the incentive, and the coercion, of the provision or withholding of state monies for schools. To talk of "state sources" or "local sources" in such a circumstance is truly to try to unscramble the egg; what really exists is a pervasive state scheme of school financing with a highly limited local option, an option which is especially limited as a practical matter because the failure to exercise it in a prescribed fashion cuts off the flow of State funds. The State then is at least an active partner in any so-called local financing decision in Michigan, and at most virtually dictates the outcome of that decision.

3. State Categorical Aid.

The pervasive involvement of the State in the financing of Michigan Public Schools is as strikingly illustrated by its provision of Categorical Aid to local school districts. Both directly and indirectly through the statutorily created intermediate school districts, the State makes grants to local districts for those targeted instructional programs which it alone has chosen to fund. While certain of the categorical grants contemplate the receiving district's providing a meager local share, the decision as to which education programs to fund and the level of that funding is entirely a matter of state control. Thus, the Michigan Legislature has allocated from the School Aid Fund an amount sufficient to provide grants to local districts for "comprehensive compensatory education programs," Mich. Comp. Laws § 388,1131 (Mich. Stat. Ann. § 15.1919 (531)); for teacher's salaries both in connection with "reading support service programs," Mich. Comp. Laws § 388.1143 (Mich. Stat. Ann. §15.1919(543)) and in connection with "alternative education programs for pregnant persons," Mich. Comp. Laws § 388.1193 (Mich. Stat. Ann. § 15.1019 (593)); for experimentation, evaluation and reporting upon programs of special instruction for academically talented or gifted children, Mich. Comp. Laws § 388.1147 (Mich. Stat. Ann. § 15.1919 (574)); for "non-residential alternative juvenile rehabilitation programs;" Mich. Comp. Laws §388.1148 (Mich. Stat. Ann. § 15.1919 (548)); and for "Secondary-level vocational education programs on an added cost basis," Mich. Comp. Laws § 388.1161 (Mich. Stat. Ann. § 15.1919 (561)).

The State's considerable involvement in public school finance is also revealed by its comprehensive plan of

categorical assistance for special education. The State funds special education programs, services and personnel, both directly from the School Aid Fund, see, Mich. Comp. Laws § 388.1151 (Mich. Stat. Ann § 15.1919(551), and indirectly through the intermediate school districts, see Mich. Comp. Laws § 388.1181 (Mich. Stat. Ann. § 15.1919(581)) and Mich. Comp. Laws § 340.298c (Mich. Stat. Ann. § 15.3298(3)). And though special education has been statutorily guaranteed handicapped persons since the 1973-74 school year, it is the State Legislature's decision alone to provide categorical aid to local school districts for a program which it has mandated.

II. WHEN MICHIGAN HAS BEEN CONFRONTED WITH THE FAILURE OF ITS FINANCING SCHEMES FOR SCHOOLS, EITHER PAST OR PRESENT, IT HAS NOT REACHED THROUGH ANY DELEGATION OF RESPONSIBILITY TO LOCAL AGENCIES, BUT THROUGH A SERIES OF TIGHTLY AND CENTRALLY CONTROLLED AD HOC RESOLUTIONS OF THE PARTICULAR PROBLEM AT HAND; WHEN THE COMPREHENSIVE SCHEME OF SCHOOL FINANCING DOES NOT WORK, THE STATE HAS NOT DELEGATED ITS CONSTITUTIONAL RESPONSIBILITY TO SUPPORT THE SCHOOLS, BUT HAS EXERCISED IT DIRECTLY.

To this point, Amicus has discussed the normal operation of the school financing scheme of the State of Michigan, demonstrating the pervasive influence of

the central educational authorities of the State of Michigan in every state-related revenue source. The relatively low level of delegation of State Power to local school districts, as compared with the comprehensive delegation of operational authority, is even more vividly demonstrated by the actions and the powers which the State has exercised in situations of financial emergency, in those situations where for one reason or another a school district has been unable to financially support the school program.

It is of particular interest that the State of Michigan Legislature has chosen to deal with these problems in an ad hoc fashion, by legislative enactment by what is for all practical purposes (although perhaps not strictly speaking) special legislation. Michigan has in the past chosen to deal with such situations directly, without so much as a permanent State administrative structure, much less a permanent or even ad hoc local administrative responsibility. Thus the Airport Community School District was forced to merge with another district pursuant to P.A. 1967 No. 239, as amended by P.A. 1968 No. 130. Airport Community Schools v. State Board of Education, 17 Mich. App. 574, 170 N.W. 2d 193 (1969). The Inkster School District received a state loan pursuant to Mich. Pub. Act No. 32 (1968), Mich. Comp. Laws §388.201 (Mich. Stat. Ann. § 15.1916(101)). This legislation authorized reorganization or merger in the event that the loan was insufficient.

The latest such statute is Mich. Pub. Act No. 1 and 2 (1973) Mich. Comp. Laws § 388.251 et seq. (Mich. Stat. Ann. § 15.1919(281)), which provides for loans to

"The board of education of a school district that for the 1971-72 school year, because of a loss of at

^{*}Special education programs and services are defined in the Michigan School Code of 1955 to include "educational and training programs and services designed for handicapped persons operated by local school districts, intermediate school districts, the Michigan school for the blind, the Michigan school for the deaf... Handicaps include, but are not limited to, mental physical, emotional behavioral, sensory, and speech handicaps. Mich. Comp. Laws § 340.10 (Mich. Stat. Ann. § 15.3010).

least 5% of its state equalized valuation as a direct result of a decision on a property tax appeal was unable to complete or after adopting a resolution to close the schools after completion of less than 180 days, and partly as a result of borrowing money to complete 180 days in the 1971-1972 school year is rendered unable for the 1972-1973 school year to provide 180 days or unable to provide 900 hours of instruction as established by state board rule, is eligible to apply for an emergency loan from the state, not to exceed \$125,700." Mich. Comp. Laws § 388,253 (Mich. Stat. Ann. § 15.1919 (283)).

This statute, which obviously applied to a rather restrictive class of school districts, provides in subsequent sections a similarly stringent set of financial controls, which would result in the "reorganization" of the school district into other surrounding school districts in the event the district was unable to right itself financially. Mich. Comp. Laws §388.260 (Mich. Stat. Ann. § 15.1919(291)). Action by the State Board of Education to reorganize the district including a determination as to which contiguous district or districts should absorb the affected district would be final Mich. Comp. Laws § 388.266 (Mich. Stat. Ann. § 15.1919 (296)).

In the 1973 opinion of the Court of Appeals in this case, that Court found as facts a number of other instances in which the State reorganized school districts in the face of financial exigency. Bradley v. Milliken, 484 F.2d 215 (1973), reversed on other grounds, 419 U.S. 717 (1974). Other than those mentioned above, these included the merger of the wealthy Brownstone School District with three other districts to provide adequate funding, the merger of the Nankin Mills

District, and the merger of the Carver School District with Oak Park. 484 F.2d at 247-248.

Perhaps the most vivid indication of the consistent pattern in Michigan of dealing with financial emergencies by means of direct action of the central government of the State (typically through special legislative enactment) is provided within the history of the case now before the court. In the fall of 1972, the School District of the City of Detroit was under order of the District Court issued in the instant case to provide a full school year of instruction and prohibited from any lay off of any existing teachers. The School District also found itself woefully short of funds. The Detroit Board of Education brought an emergency motion before the District Court, asking that the State Treasurer be mandamused to provide the necessary funds to continue the operation of the schools. In the conclusion of the brief filed in opposition to the motion, Petitioners Milliken et al., stated:

"The Michigan legislature is aware of the financial plight of the Detroit School District and there is every reason to believe that it will, given sufficient time to study and react to the problem, provide the means determined by it so that the pupils of Detroit will receive 180 days of instruction as required by Michigan law. The Joint Legislative Statement of November 30, 1972 is proof positive that this is so." Bradley v. Milliken, C.A. 35257 (E.D. Mich.) Brief of the Attorney General (filed December 6, 1972) at p. 35.

The statement of Petitioners Milliken et al., at that time proved to be prescient; the Michigan Legislature promptly passed Mich. Pub. Acts Nos. 1 and 2 (1973), Mich. Comp. Laws § 340.689 (Mich. Stat. Ann. §15.3689) which allowed the board of education of a

first class school district having boundaries which are coterminous with a city (Detroit is the only such district in Michigan) to enact an income tax by ordinance. This singular exception to the lack of inherent taxing power in local school boards was enacted in direct response to the dictates of the District Court below in this case in the context of a uniquely deep fiscal crisis.

From the above it can be seen that, in situations of financial emergency, Michigan's method of dealing with the issues of school finance is uniquely centralized. No comprehensive system exists; rather the pattern is to deal with each crisis by direct legislative enactment. Furthermore, the consequence in each case (with the exception of Detroit in the midst of the present litigation) has been the loss of the high level of independence which Michigan districts traditionally have had with regard to operational issues. In this aspect of school finance as well as those discussed above, Michigan's scheme of providing funds for schools can only be fairly described as highly centralized, not merely as to ultimate responsibility, but in operational reality as well.

CONCLUSION

This Court has, in a broad variety of circumstances, ranging from school desegregation, to determination of standards of obscenity, to standards for review of discharge from public employment, to determination of public housing and to legislative reapportionment, recognized the right of states to permit local communities to differ from one another in their approach to public issues and problems. Yet the touchstone of all of such cases is that they all arose in circumstances in which there was at least no present state plan to pro-

vide uniformity between localities with regard to the issue in question, if not indeed a specific state policy to permit diversity.

Michigan school finance is not such a case. The Michigan school finance system is one in which the state has not made any broad, general delegation of state responsibility. There is no overriding policy of local financial autonomy for this court to uphold.

As Amicus stated at the outset, this case in all probability turns on issues other than the school finance scheme in Michigan. Amicus respectfully submits that it would do an injustice to all those vitally concerned with the financing of Michigan schools if this Court based its opinion in this case upon a desire to respect local autonomy with regard to school finance. Such a policy of local autonomy with regard to school finance simply does not exist in Michigan.

Respectfully submitted,

LOUIS D. BEER
RUSS E. BOLTZ
Attorneys for Michigan Education
Association

Business Address:
Suite 303, 10 West Square Lake Road
Bloomfield Hills, Michigan 48013
Telephone: (313) 858-2303

February 11, 1977